

REMARKS

Applicants continue to traverse the outstanding rejections.

The § 101 rejections are contrary to applicable guidelines and precedent.

In an appeal of a commonly-owned case that presented a similar § 101 issue, the Board held:

Claims 51-65 are directed to images or audio data embodied in a tangible medium having embedded message codes of a specific structure which can later be discerned for identification purposes by a machine. They therefore meet the definition of "functional descriptive material" because the embedded message codes impart functionality when employed in a computer capable of acting on them. The claims are not directed to the images or audio data per se and, so, cannot be described as mere "nonfunctional descriptive materials." This is all the analysis that should be required.¹

In like manner, the rejected claims in the present case define tangible media conveying data that can later be discerned for use by an associated device. As in the appealed case, "*They therefor meet the definition of 'functional descriptive material' because the embedded message codes impart functionality when employed in a computer capable of acting on them. . . This is all the analysis that should be required.*"

Likewise, the Office's rejection under § 103 failed to establish *prima facie* obviousness. For example, the purported rationale for modifying the cited art to yield the claimed combinations is impermissibly drawn from hindsight, rather than a suggestion in the art.

¹Appeal No. 2003-1084; Reexam 90/005,911.

To take advantage of recent rule changes (e.g., permitting citation of art without providing paper copies), applicants are filing a continuation application to pursue prosecution of the claimed subject matter. It is expected that the present application will ultimately become abandoned. However, since prosecution will continue in a related application, no surrender or adverse admission should be inferred from such abandonment.

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Respectfully submitted,

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